

IN THE CLAIMS

Please amend Claims 1-7 and 15-19, cancel Claims 8-14 and 20, and add Claim 21. The following is a complete listing of the claims in this application, reflects all changes currently being made to the claims, and replaces all earlier versions and all earlier listings of the claims:

1. (Currently Amended) A method for securing a transaction ~~initiated with~~ utilizing a proximity integrated circuit (PIC) transaction device and a terminal system comprising:

~~a. selecting an application data with the highest priority from amongst the plurality of applications stored on a PIC transaction device database, the selected application data being supported by the PIC transaction device and a PIC transaction device reader, the application data including a list of process functions to perform and a list of transaction issuer predetermined transaction processing rules;~~

~~[[b.]] determining a first terminal analysis result, at the terminal system, based at least in part on one of an authentication of authenticating the PIC transaction device using Offline Data Authentication (ODA)[[:]], a transaction process restriction, and a merchant risk management factor, the first terminal analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction;~~

~~determining a first PIC analysis result, at the PIC transaction device, the first PIC analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction; and~~

if the terminal system receives a PIC issuer's response authorization during online authorization, determining a second terminal analysis result, at the terminal system, based at least in part on a predetermined rule and at least one of the first terminal analysis result and the first PIC analysis result, the second terminal analysis result indicating at least one of approving the transaction offline and denying the transaction.

d. ~~determining multiple issuer risk management factors using at least one of the plurality of application data; and~~

~~[[e.]] determining the transaction disposition of a transaction request, the transaction request disposition detailing whether to process a transaction for authorization offline, authorization online, no authorization offline, the determination the transaction request disposition being performed by analyzing at least one of the results of ODA, the list of transaction issuer predetermined transaction processing rules, the merchant risk management factors, and a set of merchant predetermined transaction processing rules.~~

2. (Currently Amended) A method of claim 1, ~~comprising~~ wherein the authentication includes authenticating, the plurality offline, a portion of [[PIC]] application data stored in the PIC offline.

3. (Currently Amended) A method of claim 1, comprising authorizing the transaction ~~request~~ online.

4. (Currently Amended) A method of claim 1, comprising authorizing the transaction ~~request~~ offline.

5. (Currently Amended) A method of claim 4, comprising authenticating
[[the]] a transaction device issuer online.

6. (Currently Amended) A method of claim 5, comprising authorizing the
transaction request by requesting ~~a second~~ application data from the PIC ~~plurality of~~
~~application data.~~

7. (Currently Amended) A method of claim 5, comprising receiving a
response to a request for transaction device issuer authentication online, using the response
to the request for authorization of the transaction device issuer as an input to the second
terminal analysis result ~~to determine the disposition of the transaction request.~~

8-14. (Canceled)

15. (Currently Amended) A system for securing a transaction ~~initiated with a~~
~~proximity integrated circuit (PIC) transaction device,~~ comprising:

[[a.]] a proximity integrated circuit (PIC) transaction device, the PIC
transaction device being operable to determine a first PIC analysis result, the first PIC
analysis result indicating at least one of approving the transaction offline, approving the
transaction online, and denying the transaction ~~including a PIC transaction device database,~~
~~the database storing a plurality of cryptogram applications, a plurality of issuer~~
~~predetermine transaction processing rules, a issuer defined dataset for use in performing an~~

~~issuer defined risk management analysis, and plurality of transaction disposition~~
~~cryptograms; and~~

a terminal system in communication with the PIC transaction device, the
terminal system being operable to:

determine a first terminal analysis result based at least in part on one
of an authentication of the PIC transaction device using Offline Data Authentication
(ODA), a transaction process restriction, and a merchant risk management factor, the first
terminal analysis result indicating at least one of approving the transaction offline,
approving the transaction online, and denying the transaction; and

determine a second terminal analysis result, if the terminal system
receives a PIC issuer's response authorization during online authorization, based at least in
part on a predetermined rule and at least one of the first terminal analysis result and the first
PIC analysis result, the second terminal analysis result indicating at least one of approving
the transaction offline and denying the transaction

~~b. a merchant system in communication with the PIC transaction device, the~~
~~merchant system comprising a merchant system database, the merchant system database~~
~~storing a merchant system risk management application, a command dataset for use in~~
~~communicating with said PIC transaction device and a PIC transaction device issuer.~~

16. (Currently Amended) A system of claim 15, wherein said PIC
transaction device is operable to provide ~~said~~ a plurality of cryptogram applications, ~~said~~ a
plurality of issuer predetermined transaction processing rules, ~~said~~ a issuer defined dataset
for use in performing an issuer defined risk management analysis, and ~~said~~ a plurality of

transaction disposition cryptograms in response to ~~said~~ a command dataset for use in communicating with said PIC transaction.

17. (Currently Amended) A system of claim 15, wherein said ~~merchant terminal~~ terminal system is operable to generate a merchant transaction disposition in accordance with a merchant risk management analysis performed by ~~said~~ a merchant risk management application.

18. (Currently Amended) A system of claim 17, wherein said ~~merchant terminal~~ terminal system is operable to authenticate ~~said~~ the PIC transaction device in response to receipt of at least one of ~~said~~ a PIC transaction device cryptogram application[[s]], ~~said plurality of a issuer predetermined~~ transaction processing rule[[s]], ~~said a issuer defined~~ dataset for use in performing an issuer defined risk management analysis, and ~~said plurality of a~~ transaction disposition cryptogram[[s]], and ~~said~~ a merchant risk management analysis.

19. (Currently Amended) A system of claim 18, wherein said ~~merchant terminal~~ terminal system is operable to authorize ~~said~~ the transaction ~~request~~ in response to receipt of at least one of ~~said~~ a PIC transaction device cryptogram application[[s]], ~~said plurality of a~~ issuer predetermined transaction processing rule[[s]], ~~said a issuer defined~~ dataset for use in performing an issuer defined risk management analysis, an issuer provided authentication cryptogram, and ~~said plurality of a~~ transaction disposition cryptogram[[s]], and ~~said~~ a merchant risk management analysis.

20. (Canceled)

21. (New) A computer-readable medium having stored thereon sequences of instructions, the sequences of instructions including instructions which when executed by a computer system causes the computer system to perform:

determining a first terminal analysis result, at a terminal system, based at least in part on one of an authentication of a PIC transaction device using Offline Data Authentication (ODA), a transaction process restriction, and a merchant risk management factor, the first terminal analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction;

determining a first PIC analysis result, at the PIC transaction device, the first PIC analysis result indicating at least one of approving the transaction offline, approving the transaction online, and denying the transaction; and

if the terminal system receives a PIC issuer's response authorization during online authorization, determining a second terminal analysis result, at the terminal system, based at least in part on a predetermined rule and at least one of the first terminal analysis result and the first PIC analysis result, the second terminal analysis result indicating at least one of approving the transaction offline and denying the transaction.